
Award
NASD

In the Matter of the Arbitration Between:

Name of the Claimant
Donald P. McDermott

Case Number: 00-04120

Names of the Respondents
Salomon Smith Barney, Inc. and Marvin Froot

Hearing Site: Boca Raton, FL

REPRESENTATION OF PARTIES

For Donald P. McDermott, hereinafter referred to as "Claimant," appeared pro se.

For Respondents Salomon Smith Barney, Inc. ("SSB") and Marvin Froot ("Froot"), hereinafter collectively referred to as "Respondents": Susan Harkins, Director, Associate General Counsel, Office of General Counsel, Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 12, 2000.

Claimant signed the Uniform Submission Agreement: September 2, 2000.

Statement of Answer and Motion to Dismiss filed by Respondents on or about: December 22, 2000.

Response to Respondents' Motion to Dismiss filed by Claimant on or about: April 23, 2001.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted that Respondents illegally solicited Euro Disney common stock and zero coupon bonds, and churned Claimant's account.

Unless specifically admitted in their Answer, Respondents denied all allegations made in the Statement of Claim, asserted various defenses, and filed a Motion to Dismiss.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$40,571.20, punitive damages in the amount of \$2,000.00, interest, and expenses incurred during this matter.

Respondents requested that the Statement of Claim be dismissed, and any relief deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code"), and having answered the claim, are bound by the determination of the undersigned arbitrator (the "Arbitrator") on all issues submitted.

On or about June 1, 2001, the Arbitrator granted Respondents' Motion to Dismiss. On or about June 4, 2001, Claimant filed a request for the basis of the dismissal. On or about June 23, 2001, the Arbitrator granted Claimant's request, and submitted the following statement:

"Mindful that I am under no requirement to furnish the parties to this arbitration a statement of the basis for decision, I grant the Claimant's request for such a statement. The dismissal of the claim is based on Merrill Lynch Pierce Fenner & Smith, Inc. v. Cohen, 62 F.3d 381 (11th Cir. 1995), which I find controlling on arbitration brought, as here, within the jurisdiction of the United States Court of Appeals for the Eleventh Circuit."

AWARD

After considering the pleadings, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

The Statement of Claim is dismissed with prejudice.

All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Filing fee assessed against Claimant has been waived.

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Respondent SSB is assessed:

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 1,000.00

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Adjournment Fees

Adjournment fees were not assessed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

Injunctive relief fees were not assessed in this matter.

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conference: April 3, 2001 1 session	
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Total Forum Fees	= \$ 450.00

1. The Arbitrator has assessed \$ 225.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$ 225.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Administrative costs were not incurred in this matter.

Fee Summary

1. Claimant is solely liable for:

Forum Fees	= \$ 225.00
Total Fees	= \$ 225.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 225.00
2. Respondent SSB is solely liable for:

Member Fees	= \$ 2,400.00
Total Fees	= \$ 2,400.00
Less payments	= \$ 1,400.00
Balance Due NASD	= \$ 1,000.00

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3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 225.00
<u>Total Fees</u>	= \$ 225.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD</u>	= \$ 225.00

All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Edward Aptaker, Esq.

Public Arbitrator

Arbitrator's Signature

/s/

07/25/02

Edward Aptaker, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

07/29/02

Date of Service (For NASD office use only)

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3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 225.00
Total Fees	= \$ 225.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 225.00

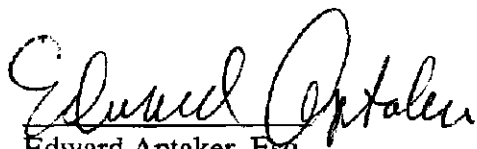
All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Edward Aptaker, Esq.

Public Arbitrator

Arbitrator's Signature



Edward Aptaker, Esq.
Public Arbitrator, Presiding Chairperson

7/25/02
Signature Date

Date of Service (For NASD office use only)